

Review – Underground Empire

Written by Andrew Latham

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ANDREW LATHAM, OCT 21 2025

Underground Empire: How America Weaponized the World Economy
by Henry Farrell and Abraham Newman
MacMillan Publishers, 2023

Farrell and Newman's *Underground Empire* is not a declinist story. Rather, it is the story of the United States having too much power, power channeled through an infrastructure so entwined in the global economy that it has come to be viewed as both natural and invisible. Yet, these instruments of power — payment systems, data cables, regulatory regimes, technological chokepoints — are not neutral or benign. On the contrary: they are coercive, brittle, and susceptible to boomerang effects. As Farrell and Newman argue, the more the United States uses them to control the world economy, the faster it speeds up the corrosion of its own hegemonic order.

This is not a polemic. The authors have no interest in engaging in moral condemnation or indulging in nostalgia for a vanished liberalism. Instead, they offer a forensic, historically grounded account of how America came to rule the world, not just through military might or soft power but through the pipes, wires, and code that power the global economy. Tracing how an “underground empire” has emerged in the post-Cold War decades, they show how U.S.-centered financial networks, digital systems, and supply chains have spread across the world. Ostensibly open and rules-based, these networks were quietly designed to route through American institutions, legal jurisdictions, and corporate platforms.

The book's key insight is that infrastructure is power — not just material power but informational, regulatory, and strategic power. America's ability to impose sanctions, monitor global capital flows, restrict technology transfers, or throttle adversaries like Huawei is rooted not in diplomatic persuasion or military deterrence but in the fact that the world's systems — the global economy's payment rails, semiconductor fabs, chip design architectures, cloud platforms — run through chokepoints the United States controls.

The authors document how U.S. agencies have learned to exploit this position with increasing sophistication. What began as ad hoc enforcement of sanctions has evolved into an integrated toolkit of geoeconomic coercion. From freezing Russia's central bank assets to banning high-end chips to China, American officials can now disrupt the functioning of entire economies with the stroke of a pen. The global economic system, once designed for promoting efficiency and interdependence, has been repurposed into a lattice of digital and financial tripwires — silent until pulled, devastating once set in motion.

But the book is not about American strength. It is about overreach. With remarkable clarity and precision, the authors argue that this system, so effective in the short term, is now being hollowed out from below. Every time the United States uses its economic arsenal to punish or pressure, it gives other powers a stronger incentive to build workarounds. China, Russia, Iran, and even friendly states like India, France, and Germany are searching for alternatives to SWIFT, to the dollar, to U.S.-dominated tech stacks. What was once a hub-and-spoke model of globalization centered on America is slowly turning into a fragmented, multipolar landscape of parallel systems.

The irony is devastating: The very interdependence that has given the United States leverage is now powering a

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dynamic of disintegration. Every weaponized sanction, export ban, and extraterritorial fine nudges the world a step further away from the American system. What used to be a trusted set of institutions is increasingly seen as a threat to be hedged against or escaped.

Farrell and Newman are careful not to overstate this trend. They do not predict the imminent collapse of U.S. economic primacy. But they do show how repeated use of economic coercion — especially without multilateral legitimacy or strategic coherence — undermines trust, alienates allies, and accelerates the search for alternatives. The result is not a clean break, as some declinists imagine, but a slow erosion of the plumbing that made America's global role possible in the first place.

What makes *Underground Empire* so powerful is that it connects the dots across a range of seemingly disparate developments. The weaponization of finance. The use of export controls against Chinese tech firms. The politicization of semiconductor supply chains. The extraterritorial enforcement of American law. Each of these is not just a policy choice. It is a symptom of deeper structural dynamics, in which infrastructure becomes leverage and leverage becomes liability.

The book's tone is sober, but not despairing. Farrell and Newman are political scientists, not declinists. They recognize that America still commands immense advantages. But they also contend that power without discipline is dangerous. The United States has slipped into a pattern of economic coercion as a first resort, often without thinking through the long-term consequences. Sanctions are imposed without serious consideration of endgames. Export controls are launched without a clear theory of victory. Tools accumulate without strategy, and the system groans under the weight of its own contradictions.

There is a philosophical edge to the book as well. What kind of power is compatible with a liberal republic? Can a democracy sustain its legitimacy while weaponizing the very structures it claims are universal and rules-based? At what point does hegemony curdle into hypocrisy? These are not rhetorical questions. Farrell and Newman raise them quietly but insistently, refusing to let the reader off the hook with platitudes about values or norms.

What's left unsaid but unmistakably implied? The United States must choose between retrenchment and recalibration. If it wishes to sustain its global position, it must discipline its use of economic tools, rebuild trust in its networks, and re-anchor its statecraft in diplomacy rather than unilateral coercion. If it cannot, then the underground empire will become a hollow one — intact in form but rotting from within.

The warning signs are already there. BRICS is expanding. China is rolling out its Cross-Border Interbank Payment System. European states are testing non-dollar channels to buy energy. Even U.S. tech giants, once reliable instruments of soft power, are being dragged into sovereign regulatory battles. The plumbing is no longer invisible. Everyone sees it. And everyone is planning their exits.

What *Underground Empire* ultimately reveals is not just a new chapter in U.S. foreign policy. It is a turning point in the global order. The age of unipolar economic dominance, underwritten by U.S.-centric infrastructure, is ending. What comes next is not certain. But the authors leave no doubt that if Washington continues to treat the global economy as a battlefield, it may soon find itself fighting alone.

This is a necessary book. Clear, lucid, and unsettling in its implications. It does not peddle easy solutions, nor does it lapse into fatalism. Instead, it offers a clear-eyed account of how we have arrived at this moment and what the costs will be if we fail to adjust course. For policymakers, strategists, and anyone interested in the future of American power, *Underground Empire* is required reading. It does not tell you what to think. It forces you to confront what already is.

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